



M.O.E. Policy Manual

POLICY TITLE FINANCIAL ASSURANCE	NO 02-03-01
<u>Legislative Authority</u> <u>Environmental Protection Act (EPA) RSO 1980 Part X-A</u>	
<u>Statement of Principles</u> Financial Assurance will be imposed by the Ministry to ensure that recipients of orders and approvals issued under the <u>Environmental Protection Act</u> or the <u>Ontario Water Resources Act</u> comply in a timely manner with the terms and conditions thereof. Financial Assurance will also be required to ensure that funds are available for future decommissioning, clean-up, rehabilitation and decontamination activities. It is the Ministry's intention to impose Financial Assurance requirements in a consistent, equitable and effective manner. Consequently, these requirements will not be restricted to new orders and approvals. Under certain conditions they will be applied also to existing operations. <u>Definitions</u> Definitions are provided in Section 119a of the EPA and in the guideline document associated with this policy statement.	
<u>Point of Contact</u> Director, Policy and Planning Branch	
<u>Effective Date</u> November 30, 1988	

1.0 Scope

Those activities for which Financial Assurance will be requested are classified as being either Required or Discretionary as indicated below.

1.1 Mandatory Requirement

Activities for which Financial Assurance is mandatory include:

Approvals under Part V, EPA:

- . Private landfill sites
 - for which a hearing is required under Section 30 of the EPA; or
 - which will accept non-hazardous solid industrial, commercial or domestic wastes and which have a life-time capacity of 40,000 cubic metres or more (i.e., the equivalent of 1,500 people);
- . Private transfer stations and waste processing sites for subject wastes as defined in Regulation 309;
- . Private transfer stations and waste processing sites for other wastes where there is no identified place or practical method for final disposal in Ontario;
- . Private waste management (haulage) systems which carry subject wastes.

Approvals under Part VII, EPA

- . All Class 4, 5 and 6 sewage systems designed to treat sewage other than sewage of a different type than sewage of domestic origin (i.e., other than human body waste, toilet and other bathroom waste, waste from showers and tubs, liquid or water borne culinary waste and sink waste).

Approvals under Section 23 and 24, OWRA and under Part VII, EPA:

- . Private communal sewage and water works and sewage systems in unorganized areas where there is no agreement with the Ministry of Municipal Affairs for it or a local government agency to take over the works in the event of a default,
- . Private communal sewage and water works in organized areas without an agreement with the local government agency to take over the system in a default situation.

NOTE:

The Ministry, at the time of initial approval in most cases, will continue to follow the practice of requiring a municipality or other governmental organization to be prepared to take over the long-term operation and maintenance in the event of a default by the private operator of a communal water works, sewage works or sewage system, and that in unorganized areas, there be a commitment to create such an organization.

1.2 Discretionary Requirement

Activities for which Financial Assurance requirement is discretionary.

- . Other Approvals under Part V, EPA:
 - recycling operations;
 - organic waste disposal sites (e.g., canning plant wastes);
 - incineration facilities;
 - private transfer stations and waste processing sites for wastes other than those referred to in 1.1;
 - PCB storage sites;
 - waste management systems (haulers) which do not handle hazardous wastes.
- . Approvals under Part VII, EPA:
 - all Class A sewage systems.

. Approvals under Section 24 of the OWRA:

- industrial and milling activities that generate tailings, ash or other waste materials subject to Section 24, OWRA;
- any operation which discharges into surface waters.

. Air approvals under Section 8, EPA

- storage of subject waste materials from air pollution control equipment;
- Conditional Certificate of Approval requiring upgrading and where there is uncertainty as to whether the equipment will work.

. Water Taking Permits under Section 20, OWRA

- private undertakings which are likely to reduce the quantity or quality of water supplies of neighbours, and where conditions require remedial measures.

. Control and other Orders

- industrial abatement programs under Section 17, EPA;
- where an industrial or commercial site which is contaminated with hazardous materials is to be decommissioned;
- operations which store subject wastes on site under Regulation 309 for more than 90 days.

2.0 Further Guidance

Further guidance regarding the imposition of Financial Assurance including:

- conditions where Financial Assurance may be required,

- calculation of Financial Assurance requirements,
- records storage and retrieval, and
- conditions leading to a default condition and responses to these

are detailed in a document entitled
"Guidelines for Financial Assurance:
(Part X-A)"

Procedures for calculating or estimating the costs associated with different regulatory activities and which serve as the basis for setting financial assurance are detailed in Appendix A of the Guidelines.

3.0 Document Review

This policy and its associated Guidelines will be used during the 1988 calendar year. On the basis of operational experience and public comment, these documents will be reviewed and revised as deemed appropriate.